

EXHIBIT 319

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

GOVERNMENT OF THE UNITED STATES
VIRGIN ISLANDS,

Plaintiff,

vs.

No. 22-cv-10904-JSR

JPMORGAN CHASE BANK, N.A.,

Defendant.

JPMORGAN CHASE BANK, N.A.,

Third-Party Plaintiff,

v.

JAMES EDWARD STALEY,
Third-Party Defendant.

THE ORAL DEPOSITION OF SANDRA BESS was taken on
the 18th day of May, 2023 at the Ritz-Carlton Hotel,
6900 Great Bay, Nazareth, Charlotte Amalie, St. Thomas,
U.S. Virgin Islands, between the hours of 8:43 a.m. and
11:53 a.m. pursuant to Notice and Federal Rules of Civil
Procedure.

Reported by:

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1 done for the period.

2 Q. I see. So if there were a renewal coming
3 up and there was no recent compliance report, you
4 would prepare a summary of their compliance?

5 MR. ACKERMAN: Objection to form.

6 Q. (By Mr. Neiman:) Is that fair? You can
7 answer.

8 A. Yes, sir.

9 Q. All right. Now, these compliance reports
10 that you prepare for a particular certificate holder,
11 how often would you put together a compliance report?

12 A. A compliance report should be done
13 annually, but because the agency had some backlog as
14 we termed it, sometimes the report would take
15 probably three years before completion, five years
16 before completion, and sometimes you'd have one
17 that's done on an annual basis.

18 Q. Would it be unusual for a company to not
19 get a compliance report until nine years after they
20 started as a certificate holder? Would that be
21 unusual?

22 A. It is -- should not be unusual 7but it
23 maybe has happened in one or two cases.

24 Q. Okay. So not the normal practice but might
25 have happened one or two times.

1 MR. ACKERMAN: Objection to the
2 form.

3 THE WITNESS: Yes, sir.

4 Q. (By Mr. Neiman:) Okay. All right. Now,
5 when you're doing these compliance reports, do you do
6 any review of what's in the press about the
7 beneficiary or the people who are the individuals
8 behind the beneficiary?

9 A. No, sir.

10 Q. So there's no process, for example, of
11 seeing if there are press accounts indicating that a
12 beneficiary is engaged in unlawful activity?

13 A. No, sir.

14 Q. And no process for seeing if the people who
15 stand behind a beneficiary are engaged in illegal
16 activity?

17 A. No, sir.

18 Q. Do you have -- from your experience as a
19 compliance officer, is one of the things that you get
20 information about how much the certificate holder has
21 benefited from the various tax incentives they've been
22 granted?

23 A. If I understand your questions, you're
24 asking me about the certificate -- the owner, but we
25 usually do a cost benefit analysis based on the

1 (Break taken.)

2 VIDEOGRAPHER: Okay. We are going
3 back on the record. The time is
4 11:37 a.m., Wednesday, May 17, 2023. We
5 are on the record.

6 MR. NEIMAN: Ms. Bess, thank you
7 for your time this morning. I have no
8 further questions for you.

9 MR. ACKERMAN: I guess we should
10 probably ask Mr. Staley's counsel first
11 whether he has questions.

12 MR. WOHLGEMUTH: No question for
13 Mr. Staley.

14 MR. ACKERMAN: Okay. I do have a
15 few questions, Ms. Bess.

16 CROSS EXAMINATION

17 BY MR. ACKERMAN::

18 Q. You and I have met before, my name is David
19 Ackerman. I am with the law firm of Motley Rice
20 representing the Government of the Virgin Islands and
21 you at this deposition.

22 You described earlier in your testimony
23 a backlog. Do you recall using that term?

24 A. Yes, sir.

25 Q. Okay. What did you mean by backlog?

1 A. When I was -- when I was initially
2 employed by the Virgin Islands Economic Development
3 apparently there were no compliance reviews done for
4 the beneficiaries.

5 So, the reports that were done we
6 would -- that was in existence, I think that -- if I
7 can recall, the -- that agency was formed in 1988.

8 The compliance unit was officially
9 formed in August of 2021 (sic), and so they began
10 hiring. So, any applicants or matters that were
11 prior to me being aboard, they were just there, they
12 probably may have done a report or two, because I
13 think there was only one compliance officer at the
14 time.

15 When I got there, there were at that
16 time, three. So backlog means that, yes, there were
17 matters that were before us and what we were getting.
18 And like I said, at that time, they would go up as
19 high as 140.

20 We would -- St. Thomas would be given
21 the St. Thomas matters. St. Croix would be given the
22 St. Croix matters. So everything was backlogged, and
23 that is the reason Mr. Vanessa Fahie in the exhibit
24 that was just presented was hired. She was a
25 contract employee.

1 Q. Okay. You said -- I think, I want to make
2 sure I didn't mishear you, that the compliance unit
3 was formed in August of which year?

4 A. Please, don't quote me as being the thing.
5 I -- officially, I think to the best of my
6 recollection, 2001.

7 Q. Okay. I think you might have said 2021,
8 and that's the only reason I wanted to clarify that.
9 Thank you.

10 How long did it take you to typically
11 prepare a compliance report?

12 A. Depending on the amount of years, and
13 depending on the size of the company because the
14 matter that we just referred to could have had five
15 to ten employees. I have had companies with 400
16 employees. So, the employee count is what would
17 stall us.

18 And then gathering the information, it
19 typically should be six weeks, but sometimes it could
20 take us months.

21 Q. How many months for large companies?

22 A. Months could take you more than a year.

23 Q. Wow.

24 A. So, more than a year.

25 Q. How many reports per year would you or one

1 of your compliance officers typically complete?

2 A. We were required to have at least eight,
3 sometimes six. It fluctuated based on the companies
4 that were in question. But typically, we would have
5 maybe four, five in a good year.

6 Q. And that is -- and again, there were how
7 many compliance officers total in the EDA?

8 A. Okay. When I left, there were five.
9 Prior to that, four. Could be from four.

10 Q. Was your only responsibility at the EDA to
11 complete compliance reports?

12 A. Yes, it was.

13 Q. Okay, thank you.

14 When you were working on a compliance
15 report, what role did the certificate play in
16 your -- if any, in your preparation of that
17 compliance report?

18 A. The certificate was the focus point of the
19 report, because usually typically the shell would
20 start with all of the highlights listed on the
21 certificate and then we'd fill in as we go along.

22 Q. Did you look at matters outside of the
23 certificate requirements when preparing a compliance
24 report?

25 A. Could you repeat the question?

1 Q. Yes. When you were preparing your
2 compliance reports, would you look at issues that were
3 outside of the certificate requirements that were
4 listed?

5 A. If I am understanding the question, I
6 would typically review the application, which would
7 -- because that's what we're given when we get a
8 certificate.

9 We get the application, what was listed
10 as -- in the application. We would also gather the
11 public hearing and the executive session of the
12 matter.

13 And so those are the reports that we
14 reviewed, just to check to see what might have been
15 discussed, what issues might have been brought up.
16 Just to include it in the -- just to possibly look to
17 see what do I need to zone in on or just double check
18 something on.

19 Q. Okay. But when you are preparing your
20 compliance report, would you look at aspects of the
21 company's business that would have no relation to the
22 conditions that were set forth in the certificate?

23 A. Typically, no.

24 Q. Why not?

25 A. Because we're focused only on what was

1 part of the contract.

2 Q. That was your job, right?

3 A. That was my job.

4 Q. You testified earlier this morning that you
5 were aware that -- from the news that Mr. Epstein was
6 arrested for bringing young ladies to his private
7 island.

8 Do you recall that testimony?

9 MR. NEIMAN: Objection.

10 Foundation.

11 THE WITNESS: I recall saying
12 those words, yes.

13 Q. (By Mr. Ackerman:) Okay. When -- do you
14 know when you read those news reports?

15 A. Possibly -- if I recall, I was doing the
16 Southern Trust report in 2018, if I remember. 2018,
17 thereabouts.

18 Q. Okay. Thank you. I want to pull
19 Exhibit 6, if you would, please.

20 And if you would look at the employment
21 section which is on page 6 of Exhibit 6. Would you
22 let me know when you're there? I'm sorry, it's on
23 page 6 of your report. It's the document, the
24 Bates number is 23084 at the bottom.

25 A. I'm there.